THIRTY-FIRST ANNUAL REPORT 1991

Alberta

LOCAL AUTHORITIES BOARD

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18th Floor, CityCentre, 10155 – 102 Street, Edmonton, Alberta, Canada T5J 4L4 403/427-4278

January 31, 1992

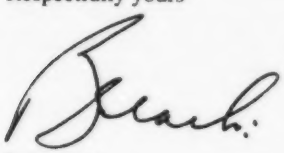
The Honourable Don R. Getty
President of the Executive Council
Province of Alberta
307 Legislature Building
EDMONTON, Alberta
T5K 2B7

Dear Mr. Getty:

I have the honour to submit herewith the Thirty-First Annual Report of the Local Authorities Board for the year 1991.

In addition to providing the information required by Section 26 of the Local Authorities Board Act, this Report also presents a brief description of the Board, its responsibilities and significant activities which occurred during 1991.

Respectfully yours



B.T. Clark
Vice Chairman

92-02874/

From the Vice Chairman

It is my pleasure to present the 31st Annual Report of the Local Authorities Board and review briefly the Board's activities during 1991.

The Board conducted a total of 33 hearings, the majority of which consisted of annexation and tax exemption applications. This year's hearings saw the active participation of numerous ratepayers and affected owners.

A major annexation application by the Town of Canmore was heard by the Board in 1991. The purpose of the annexation was to resolve jurisdictional problems resulting from the numerous tourist developments proposed for the Bow Corridor. The annexation of approximately 13,330 acres to the Town has been approved by the Lieutenant Governor in Council.

Another significant application before the Board in 1991 concerned a compromise of tax arrears for the Glacier Ammonia Plant in the Municipal District of Pincher Creek.

The number of financial applications approved has remained relatively constant over the past several years. The amount approved, however, has escalated the last two years. This has been due, in part, to extraordinary applications from the City of Edmonton and the City of Medicine Hat. In late 1990 the City of Medicine Hat received approval to borrow $100,000,000 to purchase additional gas reserves; in 1991 a request to borrow $15,000,000 for purchasing and installing a combustion turbine and related equipment was approved. The City of Edmonton applied for and received approval to borrow an additional $253,731,000 for the Genesee power project. This approval brings the total authorization for the Genesee project to just over $1.2 billion.

While total borrowings approved have increased, the number of municipalities exceeding the municipal debt guidelines has been greatly reduced.

The Board collected $277,034 in fees which is an increase of 27% over the previous year, and represents 49% of the Board's 1991-92 operating budget of $560,900.

In closing I wish to express my sincere appreciation to our staff for their contribution and valuable work in assisting Alberta municipalities during the past year.

Introduction

Authority

The Board obtains its authority from the Local Authorities Board Act, Chapter L-27, Revised Statutes of Alberta 1980, as amended.

The Board

The Local Authorities Board of Alberta is an independent quasi-judicial tribunal. The Board has all such powers, rights, privileges and immunities as are vested in the Court of Queen's Bench with regard to proceedings, the attendance and examination of witnesses, the production and inspection of documents, the enforcement of its Orders, the payment of costs and all other matters necessary or proper for the due exercise of its jurisdiction or otherwise for the carrying into effect any of its powers.

The Orders, decisions, rules or regulations of the Board may, with leave, be appealed to the Court of Appeal on questions of jurisdiction or law but not on questions of fact. The Board's Orders relating to petitions for annexation have no effect unless approved by the Lieutenant Governor in Council who may approve the Order, prescribe conditions that the Order is subject to and approve the Order subject to those conditions, vary the Order and approve the Order as varied, or disapprove the Order.

The Board is not subject to direction by any Minister, Member of the Legislative Assembly, or government official in respect to its quasi-judicial duties.

The Members

The Local Authorities Board Act provides for not more than six persons appointed by the Lieutenant Governor in Council as members of the Board. A member of the Board holds office during pleasure.

The Staff

The Board concluded 1991 with seven staff members. The Director and Board Secretary report to the Vice Chairman.

Location

The Board offices are located on the 18th Floor, CityCentre, 10155 – 102 Street, Edmonton, T5J 4L4 (telephone 403-427-4278).

Reporting and Audit

The Board reports to the Lieutenant Governor in Council through the Minister of Municipal Affairs. The Board's expenses are paid from the Province's General Revenue Fund and the accounts are audited by the Provincial Auditor General.

Financing

The Board operates on a fiscal year basis, April 1st to March 31st and submits a yearly budget for approval to the Legislature. As of December 31, 1991, the Board was within its total budget. It is difficult to forecast expenditures accurately as the Board cannot estimate precisely the nature, extent and number of applications with which it must deal.

Details of the Board's budget are:

EXPENDITURE GROUPS	ACTUAL 1990-1991	APPROVED 1991-1992
Manpower	$383,736	$503,900
Supplies & Services	55,670	57,000
TOTAL EXPENDITURE	$439,406	$560,900

The Board obtained $277,034 from fees during 1991 in connection with applications from local authorities for loan authorizations by way of debentures, petitions for annexation or separation of land, applications for tax exemption, miscellaneous amendments, and copies of Orders, etc.

Responsibilities

The Local Authorities Board Act — Other Acts Administered

Section 27 of the Local Authorities Board Act states that:

(1) The Board has all the necessary jurisdiction and power

(a) to inquire into the merit of any application of a local authority for permission to raise money by way of debenture or on the security of stock;

(b) to supervise the expenditure of money borrowed by a local authority;

(c) to deal with the financial affairs of local authorities;

(d) to grant permission for the extension of the time for repaying the indebtedness incurred by a local authority for the cost of its public works;

(e) to separate land from an urban municipality;

(f) to order compromises of tax arrears;

(g) subject to the approval of the Minister, to establish limits for borrowing by local authorities.

(2) In addition to the jurisdiction and powers mentioned in subsection (1), the Board has all necessary jurisdiction and powers to perform any duties that are from time to time assigned to it by statute or pursuant to statutory authority.

In addition to the aforementioned legislation, there are also numerous sections within the Municipal Government Act which require the approval of the Board pertaining to various matters. There are also several sections within the Municipal Taxation Act, the Municipal Tax Exemption Act, the New Towns Act, the School Act, the Planning Act, the County Act, the Clean Water Act, the Irrigation Act, the Hospitals Act and the Tax Recovery Act that fall to a certain extent under the jurisdiction of the Board. The Board is bound by the Administrative Procedures Act.

Services

The Board considers and decides upon matters falling into several categories:

A. Debt Creation and Debt Management

1. Applications by local authorities for authorization of debenture borrowings (the Local Authorities Board Act, the Municipal Government Act and the School Act).

2. Applications by local authorities for use of surplus debenture funds (the Municipal Government Act and the Local Authorities Board Act).

B. Financial Management

3. Applications for inquiry into the affairs of local authorities where financial difficulties are involved, including fixing by Order of the terms and conditions of any resultant financial control of the authority by the Board (the Local Authorities Board Act).

4. Authorization of financial programs for controlled local authorities including a New Town (the Local Authorities Board Act and the New Towns Act).

C. Taxation, Arrears and Special Assessments

5. Recommendations to the Lieutenant Governor in Council respecting applications by non-profit organizations for exemption from assessment and taxation of properties leased from the Crown or owned and either used by the organization or leased to other non-profit organizations (the Municipal Tax Exemption Act).

6. Applications for compromise of tax arrears (the Local Authorities Board Act).

7. Applications by municipalities for approval to carry out local improvement work and assess the costs thereof against the properties concerned, notwithstanding the lack of consent of the required majority of owners concerned (the Municipal Taxation Act).

D. Territorial Jurisdiction

8. Petitions for annexation or separation of lands to or from municipalities, including the fixing of terms and conditions of such annexation or separation (the Municipal Government Act, the Local Authorities Board Act and the County Act). The annexation Board Orders are subject to approval by the Lieutenant Governor in Council.

9. Applications for approval to acquire lands lying outside the boundaries of a municipality when consent of the municipality in which the lands are situated cannot be obtained (the Municipal Government Act).

10. Referrals by the Irrigation Council of petitions for formation, change of area, amalgamation or dissolution of Irrigation Districts, including the fixing of terms (the Irrigation Act).

E. Other Matters

11. Recommendations to the Lieutenant Governor in Council concerning matters referred to the Board (the Local Authorities Board Act).

12. Applications to authorize the amendment or rescinding of municipal tax sharing agreements when mutual agreement cannot be reached (the Municipal Government Act).

13. Applications by ratepayers for examination of procedures in determining the sufficiency of a petition for or against a local improvement (the Municipal Taxation Act).

14. Applications by municipalities for establishment and maintenance of plans of insurance to cover municipal property losses and municipal legal liability to others arising out of accidents and occurrences (the Municipal Government Act).

Other Functions

General

The Board communicates through its Orders, Recommendations and Regulations and does not report to any superior in respect to its day to day activities. However, the Board performs a number of functions to assist the Government, Legislative Assembly and municipalities while still maintaining its independence and quasi-judicial status.

Inquiries

The Board, on its own motion may, and upon the request of the Lieutenant Governor in Council shall, inquire into, hear and determine any matter or thing within its jurisdiction. Public hearings are generally held in respect to such inquiries with the result that the Lieutenant Governor in Council receives a report.

Reports

The Board reports its activities to the President of the Executive Council by means of its Annual Report.

Legislative Changes

When requested, the Board provides comments on proposed changes to legislation.

Orders in Council

The Board issues Orders and makes Recommendations for Orders in Council in respect to annexation and tax exemption matters respectively. The Lieutenant Governor in Council makes the decision whether or not to approve same.

Activities

The following is a summary of applications dealt with by the Board:

	CARRIED FROM 1990	NEW ADDED IN 1991	NUMBER GRANTED IN PART OR FULL	NUMBER NOT GRANTED*	OUTSTANDING AS AT DEC. 31, 1991
Financial					
Debentures	2	358	348	5	7
Increases/Decreases	0	21	21	0	0
New Town Estimates	0	0	0	0	0
Use of Surplus Funds	0	13	13	0	0
Amendments	0	6	6	0	0
Miscellaneous	0	0	0	0	0
Territorial					
Annexation	8	9	8	1	8
Separation of Land	1	2	0	1	2
Tax Exemptions	7	23	13	10	7
Amendments	4	1	1	0	4
Irrigation	0	1	1	0	0
Miscellaneous	1	3	1	1	2

(* NUMBER NOT GRANTED includes applications refused, returned or withdrawn)

Summary

Debenture Borrowings Approved — 1991 (In Thousands of Dollars)

CATEGORY OF APPLICATION	CITIES	TOWNS/ NEW TOWNS	VILLAGES/ SUMMER VILLAGES	COUNTIES/ MUNICIPAL DISTRICTS	SCHOOL DIVISIONS/ DISTRICTS	REGIONAL SERVICES COMMISSIONS	TOTAL
Sewer and Water							
# Approved	14	18	6	4	0	1	43
Amount Approved	67,820	5,471	504	857	0	2,475	77,127
Roads, Bridges, Curb, Gutter and Sidewalk							
# Approved	70	22	1	3	0	0	96
Amount Approved	14,424	2,826	47	1,799	0	0	19,096
Land and Municipal Buildings							
# Approved	9	12	1	1	0	0	23
Amount Approved	3,251	3,120	99	300	0	0	6,770
Vehicles, Equipment and Machinery							
# Approved	12	8	0	2	0	0	22
Amount Approved	72,991	1,446	0	1,260	0	0	75,697
Utilities							
# Approved	14	2	1	0	0	0	17
Amount Approved	313,561	473	15	0	0	0	314,049
Parks and Recreational							
# Approved	8	4	1	0	0	0	13
Amount Approved	18,456	713	(70)	0	0	0	19,099
School							
# Approved	0	0	0	37	115	0	152
Amount Approved	0	0	0	35,712	219,872	0	255,584
Health and Community Services							
# Approved	0	1	0	0	0	0	1
Amount Approved	0	55	0	0	0	0	55
Subdivision and Development							
# Approved	0	1	0	0	0	0	1
Amount Approved	0	620	0	0	0	0	620
Solid Waste Disposal							
# Approved	1	0	0	0	0	0	1
Amount Approved	49	0	0	0	0	0	49
TOTAL							
# Approved	128	68	10	47	115	1	369
Amount Approved	490,552	14,724	595	39,928	219,872	2,475	768,146

Summary

Annexations Granted — 1991

PROPOSED USE OF ANNEXED LANDS IN HECTARES (ACRES)

	CITIES	TOWNS	VILLAGES/ SUMMER VILLAGES	COUNTIES	TOTAL
Number of Applications	2	3	2	1	8
Residential	442.46	711.41	0.00	0.00	1,153.87
	(1,093.36)	(1,757.94)	(0.00)	(0.00)	(2,851.30)
Industrial	1,273.85	48.00	0.00	0.00	1,321.85
	(3,147.75)	(118.61)	(0.00)	(0.00)	(3,266.36)
Commercial	41.28	0.00	0.00	0.00	41.28
	(102.00)	(0.00)	(0.00)	(0.00)	(102.00)
Control	0.00	4,259.96	1.82	0.00	4,261.78
	(0.00)	(10,526.60)	(4.50)	(0.00)	(10,531.10)
Recreational	0.00	569.23	21.30	27.59	618.12
	(0.00)	(1,406.61)	(52.65)	(68.17)	(1,527.43)
Other	0.00	0.00	1.87	0.00	1.87
	(0.00)	(0.00)	(4.62)	(0.00)	(4.62)
Total	1,757.59	5,588.60	24.99	27.59	7,398.77
	(4,343.11)	(13,809.76)	(61.77)	(68.17)	(18,282.81)

Summary of Financial Applications Approved, by Local Authority

CITIES	
Airdrie	7
Calgary	25
Camrose	7
Drumheller	2
Edmonton	43
Fort McMurray	13
Grande Prairie	1
Leduc	2
Lethbridge	5
Medicine Hat	17
Red Deer	3
St. Albert	4
Spruce Grove	4
Wetaskiwin	2
TOTAL	135

TOWNS	
Athabasca	1
Beaumont	1
Black Diamond	1
Bow Island	1
Brooks	3
Canmore	3
Coaldale	6
Coronation	1
Devon	1
Didsbury	4
Elk Point	1
Gibbons	1
High Level	3
High River	1
Hinton	4
Lacombe	5
Magrath	1
Manning	2
Okotoks	1
Oyen	1
Peace River	9
Pincher Creek	2
Ponoka	2
Redcliff	4
Sedgewick	1

TOWNS (continued)	
Slave Lake	2
Smoky Lake	1
Stettler	1
Stony Plain	1
Strathmore	1
Sundre	1
Tofield	2
Two Hills	1
Westlock	1
Whitecourt	1
TOTAL	72

VILLAGES/SUMMER VILLAGES	
Berwyn	1
Boyle	1
Carmangay	1
Consort	2
Cremona	1
Delburne	1
Entwistle	2
Hughenden	1
Lougheed	1
New Norway	1
Rockyford	2
TOTAL	14

COUNTIES	
Grande Prairie No. 1	3
Vulcan No. 2	1
Ponoka No. 3	1
Newell No. 4	1
Warner No. 5	1
Stettler No. 6	1
Forty Mile No. 8	1
Wetaskiwin No. 10	1
Barrhead No. 11	2
Athabasca No. 12	2
Smoky Lake No. 13	1
Lacombe No. 14	2
Wheatland No. 16	2
Mountain View No. 17	3

COUNTIES (continued)	
Paintearth No. 18	1
St. Paul No. 19	1
Strathcona No. 20	7
Camrose No. 22	1
Leduc No. 25	2
Lethbridge No. 26	1
Minburn No. 27	1
Lac Ste. Anne No. 28	2
Flagstaff No. 29	3
Lamont No. 30	3
Parkland No. 31	2
TOTAL	46

MUNICIPAL DISTRICTS	
Foothills No. 31	1
Rocky View No. 44	2
Brazeau No. 77	2
TOTAL	5

SCHOOL DISTRICTS	
Calgary R.C.S. No. 1	4
St. Albert No. 3	4
St. Albert P.S. No. 6	1
Edmonton No. 7	12
Edmonton R.C.S. No. 7	5
Lethbridge C.S. No. 9	1
Vegreville C.S. No. 16	1
Red Deer R.C.S. No. 17	3
Calgary No. 19	9
Medicine Hat R.C.S. No. 21	1
Theresetta C.S. No. 23	1
Grande Prairie R.C.S. No. 28	1
Fort McMurray R.C.S. No. 32	1
Fairview No. 35	1
Thibault R.C.P. No. 35	1
North Peace R.C.S. No. 43	1
Lethbridge No. 51	2
Sexsmith R.C.S. No. 51	1
Taber R.C.S. No. 54	1
High Prairie R.C.S. No. 56	2
Whitecourt No. 94	1
Banff No. 102	1
Red Deer No. 104	1
Sherwood Park C.S. No. 105	2
Spruce Grove R.C.S. No. 128	1
Rocky Mountain House R.C.S. No. 131	1

SCHOOL DISTRICTS (continued)	
Lakeland R.C.S. No. 150	1
Leduc No. 297	1
Okotoks R.C.S. No. 346	2
Slave Lake R.C.S. No. 364	2
Airdrie R.C.S. No. 365	1
Camrose No. 1315	1
Brooks No. 2092	1
St. Paul No. 2228	2
Grande Prairie No. 2357	1
Whitecourt No. 2736	1
St. Isidore No. 5054	1
Grande Cache No. 5258	2
Lakeland No. 5460	1
TOTAL	77

SCHOOL DIVISIONS	
Cypress No. 4	1
Taber No. 6	1
Yellowhead No. 12	3
Rocky Mountain No. 15	2
Sturgeon No. 24	2
Willow Creek No. 28	1
Pincher Creek No. 29	1
Provost No. 33	1
Westlock No. 37	1
Foothills No. 38	3
Rocky View No. 41	7
Fairview No. 50	5
Fort Vermilion No. 52	1
Three Hills No. 60	2
Northland No. 61	2
Mount Rundle No. 64	3
Twin Rivers No. 65	2
TOTAL	38

COMMISSIONS	
Northeast Pigeon Lake Regional	1
TOTAL	1

Summary of Annexation Applications Granted, by Local Authority

CITIES		VILLAGES/SUMMER VILLAGES	
Fort Saskatchewan	1	Edgerton	1
Spruce Grove	1	Galahad	1
TOTAL	2	TOTAL	2
TOWNS		**COUNTIES**	
Canmore	1	Beaver No. 9	1
Cochrane	1	TOTAL	1
Sylvan Lake	1		
TOTAL	3		

Summary of Applications Approved/Granted, by Category of Local Authority

CATEGORY OF LOCAL AUTHORITY	FINANCIAL APPLICATIONS	ANNEXATION APPLICATIONS
Cities	135	2
Towns/New Towns	72	3
Villages/Summer Villages	14	2
Counties	46	1
Municipal Districts	5	0
School Districts	77	0
School Divisions	38	0
Commissions	1	0
TOTAL	388	8